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STPDTS

STATE FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A TAGS: ETTC KOMC FR

SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK ON

LICENSE 050081672

REFS: A) STATE 063355 B) STATE 0113010

- 11. Embassy met with Eurotradia International Services Division Chief Charles de Montesquieu (Tel: +33 1 40 76 26 50; email:cdemontesquieu@eurotradia.fr) for clarification of subject shipment.
- 12. Montesquieu informed us that Eurotradia (established as Office Generale de l'Aeronautique I 1920) is 77.9 percent owned by six stockholder companies: Total, Thales, EADS, Dassault Aviation, BBDA and Snecma/Safran Group. It provides consulting services in addition to acting as a parts and repairs broker, primarily in military and civil aviation, but also in energy. Approximately 95 percent of its parts and repairs business involves selling French components and services outside of France.
- 13. In response to the questions proposed (reftel)
  -- End-User Documentation: Eurotradia staff produced a
  Non-Transfer/End User Certificate (DSP-83) signed by Colonel Deputy
  Director General Purchasing Yahya Yousuf Abdulla Al Baloushi on
  December 12, 2007. Montesquieu added that under provisions ("DDU")
  of the company's contract with the Abu Dhabi Air Force, Eurotradia
  had to deliver the subject component -- as will all parts -directly to the relevant airbase.
- -- Recordkeeping: Staff members explained recordkeeping procedures for all transactions, including but not limited to arms export licensing records. The company's export licensing officer said that subject export item never came under French jurisdiction, but under French arms export rules had to be recorded in an "intermediation" register that is stored in a safe and is inspected every six months by police authorities, after which a copy is sent to the French defense export authorities.
- -- Primary Clients: Montesquieu told us that Eurotradia primarily serves the Middle East and Africa, with some clients in Asia and the Americas. Its six biggest customers are Abu Dhabi, Pakistan, Kuwait, Jordan, Cameroon and Qatar military entities. Sales since January 1, 2008 amount to 32 million euros, over 7 million of which were to the Abu Dhabi Air Force.
- -- Familiarity with U.S. Export Control Rules: Although Montesquieu said Eurotradia rarely handles parts from outside of France, his staff clearly understood that they would not have been able to formally place their order with the U.S. supplier, Defense Technology Equipment, without producing a valid DSP-83. Montesquieu, who has previously worked in Washington DC noted that Eurotradia has a small office in Washington DC that bids on French military procurement contracts issued via the French Embassy, largely for C-130 parts.

STAPLETON